



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

**For Immediate Release:
Tuesday, May 15, 2001**

Contact: Peggy Peterson at 226-0471

Oxley, Financial Services Subcommittee Chairs Back U.S. Position on Financial Data Privacy

As the U.S. resumes negotiations with the European Union (EU) on financial data privacy, House Financial Services Committee Chairman Michael G. Oxley (OH) has authored a letter to Treasury Secretary Paul H. O'Neill strongly supporting the position that U.S. privacy laws meet the requirements of the EU privacy directive. The letter is signed by Oxley and all six Financial Services Subcommittee chairs: Spencer Bachus (AL); Richard H. Baker (LA); Doug Bereuter (NE); Sue W. Kelly (NY); Peter T. King (NY); and Marge Roukema (NJ).

Text of the letter is attached.

May 11, 2001

The Honorable Paul H. O'Neill
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Re: U.S./EU Discussions on Financial Data Privacy

Dear Mr. Secretary:

The U.S. Treasury Department will soon resume negotiations with the European Union on financial data privacy. As you know, the House Financial Services Committee has overall responsibility for financial privacy issues concerning the financial services industry, and therefore is deeply interested in the forthcoming negotiations. I would appreciate your informing the Committee of the Treasury Department's negotiating position in advance of these discussions.

We are troubled by the EU's unwillingness to grant an adequacy determination to U.S. financial services firms. The Gramm-Leach-Bliley Act imposes clear, comprehensive and rigorous privacy obligations on financial services firms that, in combination with the obligations imposed by the Fair Credit Reporting Act (FCRA), provide sound protection for personal data handled by the financial services industry. In addition, many existing principles, statutes, and rules capture abuses of private information. Unlike certain other industries, securities SROs and other financial services regulators maintain extensive examination and oversight staffs and possess extensive sanction authority, which they have used, for non-compliance with rules concerning the misuse of confidential information. Moreover, the absence of an adequacy determination would raise the threat of transatlantic data stoppages that could create a dangerous precedent that is especially disruptive in the context of the globalized financial sector.

The U.S. financial services sector has been instrumental in providing the products and services that have made U.S. industry and the U.S. economy the envy of the world. Our competitiveness as a nation and an economy is supported by the ability of our financial services firms to compete openly and fairly. We look forward to close consultations between the Congress and Administration during the course of these negotiations, and in working towards reaching a finding of adequacy for the U.S. financial services sector.

Yours truly,

Michael G. Oxley, Chairman

Richard H. Baker, Chairman, Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises

Peter T. King, Chairman, Subcommittee on Domestic Monetary Policy, Technology and Economic Growth

Spencer Bachus, Chairman, Subcommittee on Financial Institutions and Consumer Credit

Marge Roukema, Chair, Subcommittee on Housing Community Opportunity

Doug Bereuter, Chairman, Subcommittee on International Monetary Policy and Trade

Sue Kelly, Chair, Subcommittee on Oversight and Investigations

###